

HIV/AIDS ALLIANCE FOR REGION TWO, INC.
BATON ROUGE, LOUISIANA
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012

F. C. SCHNEIDER, CPA, LLC
A Public Accounting Firm
Baton Rouge, Louisiana

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
HIV/AIDS Alliance for Region Two, Inc.
Baton Rouge, Louisiana

I have audited the accompanying financial statements of HIV/AIDS Alliance for Region Two, Inc. (HAART), which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also

includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion:

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HIV/AIDS Alliance for Region Two, Inc. as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters:

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards:

In accordance with *Government Auditing Standards*, I have also issued my report dated June 28, 2013, on my consideration of HAART's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering HAART's internal control over financial reporting and compliance.

J. C. Schneider, CPA, LLC

June 28, 2013

HIV/AIDS ALLIANCE FOR REGION TWO, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2012

ASSETS

CURRENT ASSETS

Cash	\$ 2,346,885
Accounts receivable	3,847,307
Inventory	24,103
Prepaid expense	48,287

6,266,582

PROPERTY AND EQUIPMENT (NET)

1,301,163

TOTAL ASSETS

\$ 7,567,745

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 1,376,520
Payroll liabilities	108,583
Tenant deposits	5,793
Notes payable	236,236

TOTAL LIABILITIES

1,727,132

NET ASSETS

Unrestricted	5,810,841
Unrestricted - Board designated	29,772
Temporarily restricted	-
Permanently restricted	-

TOTAL NET ASSETS

5,840,613

TOTAL LIABILITIES AND NET ASSETS

\$ 7,567,745

See accompanying notes

HIV/AIDS ALLIANCE FOR REGION TWO, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT AND REVENUES				
Governmental grants	\$ 11,219,055	\$ -	\$ -	\$ 11,219,055
340B drug program	11,291,867	-	-	11,291,867
Fees for services	219,702	-	-	219,702
Housing income	42,138	-	-	42,138
Contributions	6,959	9,000	-	15,959
Fundraising revenues	10,147	-	-	10,147
Dividends and interest income	2,544	-	-	2,544
Other income	3,906	-	-	3,906
Changes in net asset restrictions:				
Released from restrictions	14,560	(14,560)	-	-
	<u>22,810,878</u>	<u>(5,560)</u>	<u>-</u>	<u>22,805,318</u>
EXPENSES				
Program expenses:				
Medical services	808,207	-	-	808,207
340B drug program	7,079,318	-	-	7,079,318
Prevention services	263,274	-	-	263,274
Supportive services	839,170	-	-	839,170
Health insurance program	8,439,192	-	-	8,439,192
Permanent supportive housing	659,189	-	-	659,189
Fundraising	8,259	-	-	8,259
General and administrative	792,047	-	-	792,047
	<u>18,888,656</u>	<u>-</u>	<u>-</u>	<u>18,888,656</u>
Changes in net assets	3,922,222	(5,560)	-	3,916,662
NET ASSETS				
Beginning of year	1,918,391	5,560	-	1,923,951
End of year	<u>\$ 5,840,613</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,840,613</u>

See accompanying notes

HIV/AIDS ALLIANCE FOR REGION TWO, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 3,916,662
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	52,013
Changes in operating assets and liabilities:	
Accounts receivable	(744,180)
Prepaid expenses	99,415
Inventory	4,779
Accounts payable	265,366
Payroll liabilities	(75,304)
Deposits	90
	<u>3,518,841</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of fixed assets	(127,758)
	<u>(127,758)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Advances from line of credit	6,732,670
Payments on line of credit	(8,268,999)
Payments on installment loan	(14,062)
	<u>(1,550,391)</u>

NET INCREASE IN CASH	1,840,692
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CASH

Beginning of the year	506,193
End of the year	<u><u>\$ 2,346,885</u></u>

RECONCILIATION OF CASH

Cash, unrestricted	2,346,885
Cash, restricted	-
	<u><u>\$ 2,346,885</u></u>

See accompanying notes

HIV/AIDS ALLIANCE FOR REGION TWO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

A: SIGNIFICANT ACCOUNTING POLICIES

Organization and operations:

The HIV/AIDS Alliance for Region Two, Inc. (HAART) is a Louisiana non-profit corporation, incorporated on February 16, 1995, for the purpose of responding to the threat of the HIV (Human Immunodeficiency Virus) and AIDS (Acquired Immune Deficiency Syndrome) diseases existing in Louisiana, through the development of educational programs, support services, assistance, and financial development. In furtherance of those purposes, the corporation is authorized, but not limited to, purchasing and acquiring property, receiving and administering donations of money, property, or other things of value, rendering charitable assistance to individuals living with, or at risk of acquiring, HIV infection or AIDS or educational work related to the HIV or AIDS threat. The agency's services are as follows:

Medical Services Opened in July 2007, the Caring Clinic of Louisiana, LLC, a wholly owned subsidiary of HAART, provides medical care to more than one-thousand patients with health care insurance or Medicaid/Medicare coverage, including approximately 400 who are living with HIV/AIDS. The Clinic's staff includes a family practice physician who serves as Medical Director, two family nurse practitioners who treat HIV, two registered nurses, including one who serves as Clinic Operations Manager, a licensed practical nurse and other support staff. The Clinic is located in the same multi-business office building complex as HAART, which contributes to the ability to ensure that clients have access to the additional supportive services it offers. Ryan White Part A funding enables primary care services through Caring Clinic for uninsured HIV positive persons and Early Intervention Services for those who are newly diagnosed or returning to care.

340B Drug Program HAART and Caring Clinic are both registered as eligible entities in the 340B Drug Pricing Program, administered by HHS/HRSA's Office of Pharmacy Affairs, and employs three contract pharmacies to manage and dispense medications to eligible patients. The medications are available for purchase at a discounted price, resulting in net revenue to the entities based on these savings. During 2012, the program filled more than 12,000 prescriptions for persons with HIV/AIDS.

Prevention Services Staff provide HIV Counseling, Testing and Referral (CTR) services, prevention materials availability and CRCS and SISTA evidence-based intervention through the region's only program directly funded by the Centers for Disease Control and Prevention (CDC), in partnership with Metro Health Education, another local community-based provider of HIV/AIDS services. For the most recent annual reporting period, the program assisted approximately 200 persons.

A: SIGNIFICANT ACCOUNTING POLICIES (Continued)

Supportive Services Case managers and counselors are funded by Ryan White and Medicaid as well as the HUD-funded programs, Housing Opportunities for Persons with AIDS (HOPWA) and Supportive Housing Programs (SHP). They assist more than 675 clients annually in accessing community resources and entitlement programs for which they may be eligible. The agency has used HOPWA and Neighborhood Stabilization Program (NSP) funding in the acquisition of more than \$1.3 million of real property, consisting of six single family homes and a ten-unit apartment complex. Additionally, housing funds are used for leasing scattered site units for both transitional and permanent housing for eligible clients. Ryan White funded services provided by this department include 1) Medical Case Management, 2) Non-medical Case Management, 3) Local AIDS Pharmaceutical Assistance, and 4) Medical Transportation. Housing programs provide for Supportive Services (case management) and Mental Health and Substance Abuse Counseling.

Health Insurance Program HAART administers a Ryan White Part B funded program on a statewide basis for the state's health department. Staff is responsible for accepting applications, screening for eligibility and assisting more than 2,200 persons with the cost of health insurance premiums and out-of-pocket costs for co-payments and deductibles for medical services and medications. In 2013, the state has begun screening for eligibility and administering payments for medications.

Permanent Supportive Housing This program provides supportive services for persons with disabilities who have received housing vouchers through a Community Development Block Grant from HUD, for which HAART is the regional provider. Currently funded through the state's Office of Community Development and Capitol Area Human Services District, in 2013 this program will transition under the Statewide Management Organization of the Louisiana Behavioral Health Partnership, Magellan of Louisiana. More than 200 high-need clients, including some with families and some who are HIV+, are assisted with acquiring and maintaining stable housing.

Financial statement presentation:

The financial statements are presented on a consolidated basis with the Caring Clinic of Louisiana, LLC (Clinic), a wholly owned subsidiary of HAART, being consolidated. The Clinic is a single-member Board of Directors with HAART, the corporation, serving as the single member. HAART eliminates all intra-entity balances and transactions and eliminates any gain or losses on transactions among the entities in accordance with FASB ASC 810-10-45-1.

HAART reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, which are described as follows:

A: SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unrestricted Net Assets are net assets that are not subject to donor-imposed stipulations and are available for use at the organization's discretion.

Temporarily Restricted Net Assets are net assets subject to donor-imposed stipulations that may or will be met, either by actions of the organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets are net assets subject to donor-imposed stipulations that the organization maintain the contribution permanently. Generally, the donors of these assets permit the organization to use all or part of the income earned on any related investments for general or specific purposes.

HAART does not have any temporarily or permanently restricted net assets for the year ended December 31, 2012.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition:

Revenue from grants and contracts are recognized according to the specific agreement. Generally, revenues from grants are recognized in the period of the grant award while revenues from cost reimbursement contracts are recognized to the extent of services provided.

Contributed Services:

No amounts have been reflected in the financial statements for donated services. HAART generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization in the performance of its programs, but these services do not meet the criteria for recognition as contributed services. HAART receives more than 461 volunteer hours per year.

Receivables:

Management believes that receivables as reflected in the accompanying financial statements are collectible in full therefore no allowance has been recorded.

Inventory:

Inventory is valued at the lower of cost or market. Cost is determined by the first-in, first-out method.

A: SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax-exempt status:

HAART is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Paid time off:

Paid time off was earned at varying rates from two to six weeks per year depending on length of service. A maximum of six weeks paid time off could be carried over at each employee's anniversary date.

Pension plan:

HAART has adopted a 401(k) retirement plan with no matching option. Under the provisions of the plan, employees may elect to defer a percentage of their compensation up to a maximum of \$17,000 annually. Salary deferrals and the related earnings are 100% vested and non-forfeitable. During the year ended December 31, 2012, HAART did not contribute to the plan.

These assets are held in the trust fund established under the Plan; the trust fund is independent of HAART. The responsibility for administration of the Plan is with LPL Financial.

Advertising:

HAART follows the policy of charging the costs of advertising to expense as incurred. Advertising expense amounted to \$2,019 for the year ended December 31, 2012.

B: PROPERTY

Property and equipment, related service lives, and accumulated depreciation as of December 31, 2012 were as follows:

	Estimated Service Lives	
Land	-	\$ 135,110
Buildings	27.5 years	1,304,213
Furniture and equipment	5 - 7 years	99,855
Automobiles	5 yers	3,601
		<hr/> 1,542,779
Accumulated depreciation		(241,616)
		<hr/> <hr/> \$ 1,301,163

Depreciation expense was \$52,013 for the year ended December 31, 2012.

C: NOTES PAYABLE

Notes payable consists of a 6.75% note payable in 59 monthly installments of \$2,567 and a final payment of \$227,572, secured by building, and maturing September 2013.

HAART also has a line of credit with a regional financial institution for \$1,750,000 at a variable rate, currently 5.25%. No balance is due as of December 31, 2012.

Interest paid during the year ending December 31, 2012 was \$59,495.

D: NET ASSETS

The Board of Directors designated, in 2009, \$215,000 to use for expenditures of non-reimbursed direct client assistance. Expenses relating to this purpose amounted to \$101 during 2012 resulting in a balance of \$29,772 as of December 31, 2012.

E: OPERATING LEASE

HAART currently leases office space month-to-month. Lease expense for the year ending December 31, 2012 amounted to \$157,354.

F: ECONOMIC DEPENDENCY

HAART derives its revenues from governmental sources as earned revenue or grants, the loss of which would have a material adverse effect on HAART. During the year ended December 31, 2012, revenue derived from governmental sources accounted for the majority of support recorded by HAART.

G: CONCENTRATION OF CREDIT RISK

Financial instruments which subject HAART to concentrations of credit risk consist primarily of receivables. In addition, HAART maintains cash in local and regional financial institutions, which, may, at times, exceed the FDIC limits. Management believes the risk is limited.

H: CONTINGENCIES

Grants:

HAART receives federal and state contracts for specific purposes that are subject to audit by the agencies. Such audits could lead to requests for reimbursement to the agency for expenditures disallowed under terms of the contract. It is the opinion of management that HAART's compliance with the terms of contracts will result in negligible, if any, disallowed

H: CONTINGENCIES (Continued)

costs.

Risk Management:

Various lawsuits arise in the normal course of HAART's business. Management believes that losses resulting from these matters, if any, will not have a material effect on the operations or financial position of HAART.

I: SUBSEQUENT EVENTS

In preparing these financial statements, HAART has evaluated events and transactions for potential recognition or disclosure through June 28, 2013, the date the financial statements were available to be issued.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
HIV/AIDS Alliance for Region Two, Inc.
Baton Rouge, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of HIV/AIDS Alliance for Region Two, Inc. (HAART), which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated June 28, 2013.

Internal Control Over Financial Reporting:

In planning and performing my audit of the financial statements, I considered HAART's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of HAART's internal control. Accordingly, I do not express an opinion on the effectiveness of HAART's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters:

As part of obtaining reasonable assurance about whether HAART's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report:

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

J. C. Schneider, CPA, LLC

June 28, 2013

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
OMB CIRCULAR A-133**

To the Board of Directors of
HIV/AIDS Alliance for Region Two, Inc.
Baton Rouge, Louisiana

Report on Compliance for Each Major Federal Program:

I have audited HIV/AIDS Alliance for Region Two, Inc.'s (HAART) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of HAART's major federal programs for the year ended December 31, 2012. HAART's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility:

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility:

My responsibility is to express an opinion on compliance for each of HAART's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about HAART's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of HAART's compliance.

Opinion on Each Major Federal Program:

In my opinion, HIV/AIDS Alliance for Region Two, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance:

Management of HAART is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered HAART's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of HAART's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

J. C. Schneider, CPA, LLC

June 28, 2013

HIV/AIDS ALLIANCE FOR REGION TWO, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

<u>Grantor/Agency/state or city pass-through/Program name</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services		
Centers for Disease Control and Prevention (CDC)		
HIV Prevention Projects for Community-based Organizations	93.939	\$ 279,800
State of Louisiana/Department of Health and Hospitals		
HIV Care Formula Grants (Ryan White Part B)	93.917	7,916,750
City of Baton Rouge/Division of Human Development Services		
HIV Care Formula Grants (Ryan White Part A)	93.917	390,152
HIV Care Formula Grants (Ryan White Part A) (MAI)	93.917	9,509
U.S. Department of Housing and Urban Development		
State of Louisiana/Department of Health and Hospitals		
Capital Area Human Services District		
Permanent Supportive Housing Initiative (PSH)	14.218	693,776
City of Baton Rouge/Office of Community Development		
Supportive Housing Program (SHP)	14.235	546,181
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	368,331
Emergency Shelter Grant	14.231	2,989
 Total Federal Assistance		 <u><u>\$ 10,207,488</u></u>

HIV/AIDS ALLIANCE FOR REGION TWO, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2012

1) Summary of Auditors' Results:

- A) The type of report issued on the financial statements: **Unqualified opinion**
 - B) Significant deficiencies in internal control were disclosed by the audit of financial statements: **None noted**
Material weaknesses: **None noted**
 - C) Noncompliance which is material to the financial statements: **None noted**
 - D) Significant deficiencies in internal control over major programs: **None noted**
 - E) The type of report issued on compliance for major programs: **Unqualified opinion**
 - F) Any audit findings which are required to be reported under Section 510 (a) of OMB Circular A-133: **None**
 - G) Major programs:
 - U.S. Department of Health and Human Services**
State of Louisiana/Department of Health and Hospitals
Capital Area Human Services District
 - 1) CFDA 93.917 HIV Care Formula Grants (Ryan White)
 - U.S. Department of Housing and Urban Development**
City of Baton Rouge/Office of Community Development
 - 1) CFDA 14.235 Supportive Housing Program
 - 2) CFDA 14.241 Housing Opportunities for Persons with AIDS (HOPWA)
 - H) Dollar threshold used to distinguish between Type A and Type B programs: **\$300,000**
 - I) Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133: **Yes**
- 2) Findings relating to the financial statements reported in accordance with Government Auditing Standards: **None Noted**
- 3) Findings and questioned cost relating to federal awards: **None Noted**

HIV/AIDS ALLIANCE FOR REGION TWO, INC.
SUMMARY OF FINDINGS AND RESPONSES
December 31, 2012

No findings noted

HIV/AIDS ALLIANCE FOR REGION TWO, INC.
SUMMARY OF PRIOR YEAR FINDINGS AND RESPONSES
December 31, 2012

No findings noted